

CHANGE in CLASS

Approved For Release 2003/08/05 : CIA-RDP82-00457R002400430003-9

DECLASSED

CLASSIFICATION

SECRET

ass. CHANGED TO:

TS S

DDA Memo. 4 APR 77

DDA REG. 77/178

CENTRAL INTELLIGENCE AGENCY

REPORT NO.

ite: 16/05/78

CD NO.

FEB 25 1949

25X1

25X1

ite: 16/05/78

## INFORMATION REPORT

DATE DISTR.

25X1

NO. OF PAGES

5

25X1

ite: 16/05/78

25X1

CONFIDENTIAL  
CENTRAL INTELLIGENCE AGENCY

- 2 -

25X1A2G

- (d) Supply (under the direction of a Mr. Kuroptiev)
- (e) Personnel
- (f) Bookkeeping
- (g) Secret Correspondence
- (h) Miscellaneous Matters

There are at least a dozen branches in the office. Each branch controls a different type of industrial plant: e.g., machine manufacturing, toolmaking, cement manufacturing, dyes, textiles, acids. For example, one of the GUSIMZ Branches is called "PRIBOR" (full name: "Otdelenie Tochnogo, Srednego i Priborostroeniya", i.e., Precision, Ordinary, and Instrument Manufacture Branch). The PRIBOR Branch of GUSIMZ controls three separate Soviet State corporations (SGAOs) in Germany. Such SGAOs (Sovetskoe Gosudarstvennoe Aktionernoe Obshchestvo) are known in Germany as "Dachgesellschaften", and each controls a certain number of "Soviet AGs" in related industries. The three SGAOs under PRIBOR are: SGAO PRIBOR (in charge of a group of industries engaged in machine manufacture), SGAO AVTOVELO (automobile and motorcycle manufacture), and SGAO TOCHMASH (precision instrument and machinery manufacture).

25X1A6A (Comment: This example shows the necessity for distinguishing carefully between GUSIMZ branches in Moscow and Soviet State Stock Corporations, or SGAOs, abroad. They may, as in the case of PRIBOR Branch and SGAO PRIBOR, carry the same name, but occupy entirely different positions in the echelon of control.)

4. The Chief of GUSIMZ, Merkulov, is represented abroad first of all by his personal deputies. In Hungary such a deputy is Gen. (MGB) Dekanov; in Germany Merkulov's deputy for GUSIMZ is Col. Gen. (MGB) Kabulov. In Germany Kabulov holds two titles: Deputy of GUSIMZ in Moscow and SVAG (Marshal Sokolovsky's) Deputy for SGAO Affairs. As Merkulov's Deputy for Germany, Kabulov is the highest representative of GUSIMZ in Germany. As Sokolovsky's Deputy for SGAO Affairs, Kabulov is in charge of coordinating the activities and interests of Soviet-owned factories in Germany (Soviet AGs) with SVAG economic policies, i.e., with the office represented at the highest level by K. I. Koval, SVAG Deputy for Economic Questions. Concessions on the part of a German industry to the Soviet-owned and Soviet-controlled factories in Germany (in the form of raw materials, fuel, technical advice, and sometimes even the transfer of entire German-owned factories to Soviet control) are readily arranged by Koval at Kabulov's request. While Kabulov is Koval's equal on the Military Government level (both being Sokolovsky's deputies), the former also represents the MGB and the interests of Soviet industries as against Koval's position in German industry.

25X1X  
25X1X5.  
25X1X

6. The chief administrative office of GUSIMZ in Germany is the so-called "Administration of Soviet State Corporations" (Upravlenie Sovietskikh Gosudarstvennikh Aktionernikh Obshchestv or "USGAO"). This office is headed by Maj. Gen. Belogorlov, and is also located in Berlin-Weissensee, Berliner Allee 107-110. Belogorlov's chief assistant is Gen. (MGB) Shunin. Belogorlov's First Deputy is Parfenov; his second deputy is Izaev.

7. USGAO is divided into eight departments, after the pattern of GUSIMZ in Moscow. The chief of the Finance Department is Aleksandrov; the chief of the Supply Department is Zhensherov, and his assistant is Maj. Shternlikht. Only translators, interpreters, drivers, and

SECRET

25X1

SECRET

25X1

CENTRAL INTELLIGENCE AGENCY

25X1A2G

-3  
CONFIDENTIAL

building employees are indigenous; all others are Soviet citizens. The total number of employees is estimated to be between 800 and 1,000. The building is strongly guarded by both Soviet and German guards.

8. Under USGAO are thirty-three technical field branches, or SGAOs. [redacted] the following thirty of these SGAOs:

(1) AMO	(16) MASLO
(2) AVTOVELO	(17) MARTEN
(3) BAGGAR	(18) MED
(4) BRIKET	(19) PLASTIK
(5) BURI-UGOL	(20) PODEMNIK
(6) FOTOPLENKA	(21) PRIBOR
(7) GAZOLIN	(22) RAZREZ
(8) IZOLYATOR	(23) REZINOTEKHNIKA
(9) KABEL	(24) SILVINIT
(10) KAINIT	(25) SINTEZ
(11) KALI	(26) SMOLA
(12) KARIER	(27) TOCHMASH
(13) KAUCHUK	(28) TOPLIVC
(14) KAUSTIK	(29) TRANSMASH
(15) KRASKA	(30) TSEMENT

9. For illustrative purposes the organization of two SGAOs is given below:

a. SGAO PRIBOR. Located in Leipzig, Karl-Heinestrasse 12. Soviet General Director, I.G. Fofanov. First Deputy and Chief Engineer, A.A. Lebedinsky. Second Deputy, V.G. Dubovik. Like the GUSIMZ and USGAO, SGAO PRIBOR is divided into eight functional departments. Known department heads are Yekharov (Economic Planning), L.I. Vinogradov and Shabalin (Supply), Pozdnyak (Personnel and member of MGB), and Gorban (Book-keeping). The total number of employees is around forty-five.

SGAO PRIBOR controls nine Soviet AGs:

- (1) Spritz & Pressgiesserei in Heidenau-Dresden  
(General Director and Chief Engineer, Aleksandrov)
- (2) Sachsenwerk in Radeberg-Dresden  
(General Director, Tomin)
- (3) "Famo" in Schonebeck/Elbe (probably Schoenebeck)  
(Chief Engineer, Seldatov)
- (4) Steinle & Hartung in Quedlinburg  
(Chief Engineer, Shvets)
- (5) Kober & Co. in Suhl and in Zella-Mellis  
(General Director, Fedorov; Chief Engineer, Tomin)
- (6) Louis Schopper in Leipzig  
(General Director, Astavin; Chief Engineer, Kopalin)
- (7) Siemens & Halske in Zwönitz and in Thalheim  
(General Director, Vasilenko; Chief Engineer, Filimonov)
- (8) Schaeffer & Budenbrog in Magdeburg-Buckau  
(General Director, Chistov; Chief Engineer, Dimitriev)
- (9) Siemens & Halske in Chemnitz  
(General Director, Kevra; Chief Engineer, V.N. Vinogradov)

SECRET

25X1

CONFIDENTIAL

## CENTRAL INTELLIGENCE AGENCY

- 4 - ~~CONFIDENTIAL~~

25X1A2G

25X1X6

b. SGAO IZOLYATOR. The organization of IZOLYATOR was reported previously. Functionally both SGAOs (PRIBOR and IZOLYATOR) are alike. Such differences as exist are explainable. The source of information on SGAO IZOLYATOR lists only four departments: Economic Planning, Technical, Personnel, and Bookkeeping; but in view of his position, source would not be aware of the Secret Correspondence and of the Miscellaneous Matters Departments. The absence of the other two departments, Finance and Supply, may be explained by the fact that SGAO IZOLYATOR, unlike SGAO PRIBOR, is located only half a block from the USGAO in Berlin, and can draw money and supplies directly from the main office. Source states that the SGAO PRIBOR Personnel Department Chief, Lt. Col. Kotov, is concerned with "Political Control".

10. Relation of GUSIMZ to other offices or bureaus.

a. In Moscow GUSIMZ is under the direct control of the Council of Ministers, from which it receives general policy direction. GUSIMZ is not subordinated to any of the many Soviet ministries, although it maintains contact with most of them. This contact on the working level is maintained through the various ministerial NTOs (technical study bureaus maintained by each ministry) both in the U.S.S.R. and in Germany. Although no details are known as to GUSIMZ' relationship with L.P. Beriya's "First Chief Directorate" (atomic research), there is little doubt that GUSIMZ is often called upon to render services to the "First Chief Directorate" by supplying it with special delicate machinery and other equipment. Comment: See also for further information on the First Directorate.)

25X1A6A

25X1A2G

b. GUSIMZ' top administrative office in Germany, the USGAO in Berlin-Weissensee, maintains contact with numerous offices:

- (1) With SVAG, Kabulov being Sokolovsky's deputy.
- (2) With Sokolovsky's deputy for German Economic Questions, K.I. Koval --- again through Kabulov, who secures from Koval all necessary equipment, raw materials, and fuel for the GUSIMZ plants in Germany.
- (3) With M.I. Perelivchenko, Chief of SVAG Economic Planning Board, through Maj. Gen. Belogorlov. Perelivchenko and Belogorlov allocate the distribution of raw materials between German industry and Soviet-owned factories.
- (4) With the SVAG Political Directorate, Gen. Russov, through Russov's political supervision of all Soviet personnel employed by USGAO in Germany.
- (5) With local units of the MGB through MGB supervision of security in all GUSIMZ administrative offices and plants.
- (6) With UKS guard personnel responsible for the physical security of all finished products of GUSIMZ plants. These guards are usually supplied by the UKS to the company (AG DERUTRA) operating the trucks which haul all manufactured items.
- (7) With the SED, the German Economic Commission (DWK), and the German Administration of the Interior, which maintain political control over German employees of Soviet-owned plants in Germany, and which supply police protection and guards.
- (8) With SGAO VISMUT (Soviet-owned corporation engaged in uranium mining), which it supplies with any needed instruments and machinery.

~~CONFIDENTIAL~~

25X1

CENTRAL INTELLIGENCE AGENCY

- 5 -

25X1A2G

CONFIDENTIAL

11. Current plans call for the changing of some details of the GUSIMZ organization in Germany in the spring of 1949. The changes called for are primarily due to the reduction of Soviet personnel strength in Germany. It is likely that Col. Gen. Kabulov's and Maj. Gen. Belogorlov's offices will be combined into an SVAG Administration (Upravlenie). It is also planned to reduce the number of SGAOs from thirty-three to ten or twelve. The number of SGAO "Enterprises", or Soviet AGs, will remain the same, but they will be serviced and administered by a lesser number of SGAOs. No reduction of MGB personnel within the USGAO is envisaged.

CONFIDENTIAL

SECRET

25X1